

STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

David B. Paige

Enforcement Case No. 06-4706

Respondent  
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Issued and entered  
on 8 November, 2006  
by Frances K. Wallace  
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

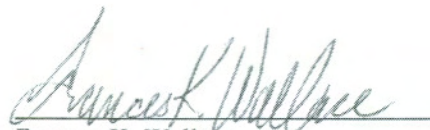
1. David B. Paige ("Respondent") was a nonresident insurance producer in the State of Michigan from October 14, 2003 to March 30, 2005.
2. On March 31, 2005, OFIS changed Respondent's licensing status to "Inactive" after OFIS learned that the State of Ohio, Respondent's resident state, revoked his insurance producer license.
3. Respondent knew or had reason know that Section 1206a(1)(a) of the Michigan Insurance Code ("Code") requires a nonresident person to be currently licensed as a resident insurance producer and in good standing in his or her home state.
4. Respondent further knew or had reason to know that Section 1239(1)(b) of the Code provides that the Commissioner may revoke a producer's license for violating any insurance laws or violating any regulation, subpoena, or order of the Commissioner or of another state's insurance commissioner.
5. Respondent further knew or had reason to know that Section 1239(1)(d) of the Code provides that the Commissioner may revoke a producer's license for improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business.

6. Respondent further knew or had reason to know that Section 1239(1)(h) of the Code provides that the Commissioner may revoke a producer's license for using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
7. Respondent further knew or had reason to know that Section 1239(1)(i) of the Code provides that the Commissioner may revoke a producer's license for having an insurance producer license or its equivalent denied, suspended, or revoked in any other state, province, district, or territory.
8. Respondent further knew or had reason to know that Section 1239(1)(j) of the Code provides that the Commissioner may revoke a producer's license for forging another's name to an application for insurance or to any document related to an insurance transaction.
9. Respondent further knew or had reason to know that Section 2018 of the Code provides that an unfair method of competition and an unfair or deceptive act or practice in the business of insurance include making false or fraudulent statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, money, or other benefit from an insurer, agent, broker, or individual.
10. OFIS initiated an investigation of Respondent after it received a complaint from Randall F. Stellwag, Director of Market Conduct, Penn Mutual Life Insurance Company. The complaint alleged that Respondent was submitting fraudulent and unauthorized withdrawal requests to Penn Mutual Life Insurance Company as a resident producer in Ohio.
11. On January 24, 2005, Respondent signed a Consent Order issued by the State of Ohio, Department of Insurance that revoked Respondent's resident producer license. The Order alleged that between October 2002 and May 2004, Respondent submitted approximately 37 unauthorized, forged withdrawal requests and, thereby, misappropriated money from the annuity accounts of the State of Ohio. Respondent neither admitted or denied the allegations, but agreed to the revocation of his resident producer license.
12. By the conduct described above, Respondent violated Section 1206a(1)(a), 1239(1)(b), (d), (h), (i), and (j), and 2018 of the Code, and is therefore subject to penalty under Section 1244(1) of the Code.

**B. ORDER**

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is **ORDERED** that:

1. Respondent shall immediately cease and desist from operating in such a manner as to violate Section 1206a(1)(a), 1239(1) and 2018 of the Code.
2. Respondent's nonresident insurance producer license is REVOKED.

  
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Frances K. Wallace  
Chief Deputy Commissioner